

POLY GLASS FIBRE (M) BHD (Company No. 42138-X)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2009

1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and should be read in conjunction with the audited financial statements of the Group for the year ended 28 February 2009.

The Group's accounting policies and methods of computation used in this quarterly report are consistent with those adopted in the most recent Annual Audited Financial Statements for the year ended 28 February 2009.

2. Audit Report For Preceding Financial Year

The Audited Financial Statements for the financial year ended 28 February 2009 were not qualified by the Company's auditors.

3. Seasonal or Cyclical Factors

The fibre glasswool insulation business normally expect a fall in revenue of about 30% during the festive holiday season.

4. Unusual Items

There were no unusual items for the current quarter and financial period to-date.

5. Exceptional Items

There were no exceptional items for the current quarter and financial period-to-date.

6. Changes in Estimates

There were no changes in estimates in the prior interim periods and the prior years that have a material effect in the current quarter and financial period to-date.

7. Equity Structure

There were no issuance and repayment of debt and equity shares, shares buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial period to-date.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2009
(cont'd)

8. Dividends Paid

There was no dividend paid for the current quarter and financial period to-date.

9. Segmental Reporting

Financial data by business
segment for the Group

	Current Period To-date			
	31 AUG 2009			
	Fibre glasswool and related products RM'000	Property development RM'000	Investment Holding and others RM'000	Consolidated RM'000
Revenue from external customers	16,906	-	261	17,167
Segment results	2,202	(318)	354	2,238
Interest expense				(786)
Net profit before tax				1,452
Taxation				(743)
Net profit after taxation				709

10. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The Group did not revalue any of its property, plant and equipment for the current quarter and financial period to-date.

11. Material events subsequent to the end of the period reported on not reflected in the financial statements for the said period

There were no material events subsequent to the end of the period reported on which have not been reflected in the financial statements as at 22 October 2009.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2009
(Cont'd)

12. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date.

13. Contingent Liabilities

There were no changes in the contingent liabilities (other than material litigations disclosed in Note 11 of the Additional Information Required by the Bursa Malaysia's Listing Requirements) since the last annual balance sheet date.

14. Related Party Transactions

Transactions with the substantial shareholder, Equaplus Sdn Bhd: -

	RM'000
Interest payable and paid	<u>702</u>

15. Capital Commitments

Contractual but not provided for in the financial statements.

	RM'000
Capital commitment	
- Property	195
- Plant & Equipment	<u>80</u>
	<u>275</u>